GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2122
ANSWERED ON:11.08.2006
CUSTOMER SERVICES IN INSURANCE COMPANIES
Chowdhury Shri Adhir Ranjan;Nikhil Kumar Shri

Will the Minister of FINANCE be pleased to state:

(a) whether the consumers in the country are d ssatisfied with the way their claims are serviced by the public sector insurance companies ;

(b) if so, `he facts and the details thereof ;

(c) whether the faith of consumers towards public sector insurance companies have totally eroded and there is a decline in constmer rating;

(d) if so, the facts thereof; and

(e) the steps taken by the Government to tone up the functioning of the various public sector insurance companies in the country ?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : In respect of servicing of claims by public sector general insurance companies, the General Insurers` (Public Sector) Association of Incte (GIPSA) has reported that during the year 2004-05, claims settlement ratio of non-suit claims was at 90.29%. In respect of Life Insurance Corporation of India (LIC), the claim settlement ratio was at 99,86% in 2004-05. It is the endeavour of all the public sector insurance companies to increase the claim settlement ratio and reduce delays; in claim settlement so as to provide maximum satisfaction to its customers.

(c)&(d): The consumer faith in the GiPSA Companies is manifested by the fact that the gross direct premium income has grown by 7.01% in 2005-06. National Insurance Company Limited (NICL) and New India Assurance Company Limited (NIACL) lave been jointly awarded `CNBC Awaaz award` for most preferred non-life insurance companies. LIC has also been awarded as the No.1 Service EJrand` consecutively for the lasl three years and considered as `preferred insurance company1 in India. LIC has also won the NDTV Profit `Business Leader in Insurance1 Award in 2006. .

(e): The Government has taken steps to monitor performance of the companies by way of Letter of Intent (LOI) that has been signed with all`public sector insurance companies, which inter-alia includes compliance of targets in settlement of claims and a great emphasis on Customer Relations Management (CRM).

Year ending March 31	Sanctioned	Disbursed
2004	25051	19278
2005	21492	16368
2006{ Provisional)	24501	21299